

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2386**



Introduced by **HON. GWENDOLYN F. GARCIA**

EXPLANATORY NOTE

Land reclamation is the gain of land from the sea, or wetlands, or other water bodies, and restoration of productivity or use to lands that have been degraded by human activities or impaired by natural phenomena (Glossary of Environment Statistics, Studies in Methods, Series F, No. 67, United Nations, New York, 1997). It is resorted to by governments with geographically small land areas in order to provide additional physical space to accommodate their housing, industrial and economic needs.

The Philippines is no stranger to land reclamation. During President Carlos P. Garcia's administration the reclamation of foreshore lands by chartered cities and municipalities was authorized. Former President Ferdinand E. Marcos pursued the policy of land reclamation through Presidential Decree No. (PD) 1084 which created the Public Estates Authority (PEA). The succeeding administrations also recognized the need to provide a coordinated, economical and efficient administration of lands and real estate, especially reclaimed lands, belonging to, managed and/or operated by the government by the issuance of Executive Orders that amended the PEA Charter. Thus, PEA became the current Philippine Reclamation Authority (PRA).

This policy on land reclamation was further affirmed when Republic Act No. (RA) 7160, otherwise known as the Local Government Code of 1991 was enacted into law. Paragraph (b) (3) (vii), Section 17, Chapter 2, Title 1, Book I of, states that among the basic services and facilities devolved to a province is the provision of "[I]nfrastructure facilities intended to service the needs of the residents of the province and which are funded out of provincial funds including, but not limited to, provincial roads and bridges; inter-municipal waterworks, drainage and sewerage, flood control, and irrigation systems; reclamation projects; and similar facilities" (emphasis supplied).

This proposed legislation, therefore, seeks to give flesh on the provision of the Local Government Code by empowering provincial governments to undertake and administer land reclamation they may deem necessary in their area of jurisdiction that are consistent with public interest.

In view of the foregoing, immediate approval of this bill is earnestly recommended.


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AN ACT
EMPOWERING PROVINCIAL GOVERNMENTS TO ADMINISTER LAND
RECLAMATION IN THEIR AREA OF JURISDICTION, MAXIMIZE THEIR
UTILIZATION AND PROVIDE FOR THEIR DEVELOPMENT CONSISTENT WITH
PUBLIC INTEREST AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Congress assembled:

SECTION 1. In consonance with Paragraph (b) (3) (vii), Section 17, Chapter 2, Title 1, Book I of Republic Act No. (RA) 7160, otherwise known as the Local Government Code of 1991, provincial governments, through their local sanggunians, are hereby empowered, at their own expense and in consultation with the Philippine Reclamation Authority (PRA), to:

- (a) Reclaim land, including foreshore and submerged areas, by dredging, filling or other means, or to acquire reclaimed land;
- (b) Develop, improve, subdivide, dispose, lease and sell any and all kinds of buildings, estates and other forms of real property constructed within the reclaimed area; and
- (c) Provide for, operate or administer such services as may be necessary for the efficient, economical and beneficial utilization of the above properties.

SEC. 2. The provincial governments shall create, through their respective sanggunians, the appropriate body that shall take charge of the reclamation project and maximize utilization of and provide for the development of the reclaimed land consistent with public interest.

SEC. 3. For the purpose of this reclamation, provincial governments are hereby authorized to contract indebtedness with any person, association, corporation, or lending institution under such rules and regulations as their respective sanggunians may prescribe. Upon proper application, a provincial government may, for the same purpose, likewise issue bonds in such amounts and under such terms and conditions as may be fixed by the Secretary of Finance. Such bonds shall be guaranteed by the Government of the Philippines and their issue, servicing and liquidation shall be undertaken by the Central Bank of the Philippines.

SEC. 4. Any and all lands reclaimed, as herein provided, shall be the property of the respective provincial governments which shall register the same through a special patent with the Land Registration Authority.

SEC. 5. Provincial governments may put up for sale or lease the lands reclaimed, any and all kinds of buildings, estates and other forms of real property

constructed within the reclaimed area as herein provided under such rules and regulations as their respective sanggunians may prescribe. All proceeds derived from such sale or lease, shall be credited to a special fund which shall accrue in the first instance to the sinking fund hereafter provided. Any balance thereof in excess of periodic sinking fund requirements shall be available for other permanent public improvements of the province.

Section 6. Upon application by a province to issue bonds, the Secretary of Finance, shall determine the borrowing and paying capacity of the applicant, the amount of the issue that may be authorized, and, in consultation with the Monetary Board of the Central Bank of the Philippines, the form, rate of interest, and redemption of said bonds. In the redemption of these bonds the Secretary of Finance may apply the lottery principle by which bonds, drawn by lot, may be redeemed before maturity.

Section 7. All laws contracted, and bonds issued, under this Act shall be payable, both as to the principal and interests, in Philippine currency or in the currency in which the principal has been originally received, which fact shall be acknowledged on the face of the note or certificate accomplished therefor, free from any tax or other public impost arising from currency conversion, any existing law to the contrary notwithstanding.

Section 8. Bonds issued under this Act shall be exempt from taxation, which fact shall be stated on the face of the certificates which shall be issued in accordance with this Act.

Section 9. Should the receipts accruing under Section 4 be insufficient to service adequately bonds issued under this Act, the sinking fund deficiency shall be made good by the general funds of the province in such manner that the annual contribution shall be sufficient to redeem at maturity the bonds issued under this Act. The sinking fund shall be under the custody of the Central Bank of the Philippines which shall invest the same in such manner as the Monetary Board shall approve.

SEC. 10. *Repealing Clause.* All other laws, rules and regulations inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 11. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,